

U.S. DEPARTMENT OF LABOR
Employment and Training Administration
Washington, D.C. 20210

REPORT ON STATE LEGISLATION

REPORT NO. 9
December 2012

KENTUCKY	HB 495 (Act No. 52)	ENACTED AND EFFECTIVE April 11, 2012, or as noted
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Financing

Effective January 1, 2014, creates a surcharge of 0.22 percent of the first \$9,600 in wages paid upon all subject contributing employers for any year in which there are insufficient funds in the unemployment compensation administration fund. This surcharge is to be deposited into the unemployment insurance interest payment fund. Requires the secretary, effective January 1, 2015, and each calendar year thereafter, to adjust the surcharge percentage rate based on any increase to the taxable wage base. Permits the secretary to reduce or suspend the surcharge for any calendar year based on the balance of the unemployment insurance interest payment fund and the projected amount due for interest on advances.

Authorizes the secretary to obtain financing through any commercially reasonable means to pay interest on federal unemployment loans and to pledge proceeds from the above surcharge on contributing employers as security. Requires the debt, note, security, or obligations to be payable solely from surcharge proceeds.

Requires the Governor to make application, if eligible, in 2013 and in subsequent calendar years to request a cap on federal unemployment tax credit reductions.

Requires the secretary to report quarterly to the Legislative Research Commission on the financing authorized for the payment of interest on advances, the status of the trust fund, and efforts to obtain a cap on the federal unemployment tax credit reduction.